Approved For Release 2003/04/11 : CIA-RDP79T00975Abor9004	40001	-5	
TOP SECRET	17	May	1966

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CENTRAL INTELLIGENCE BULLETIN

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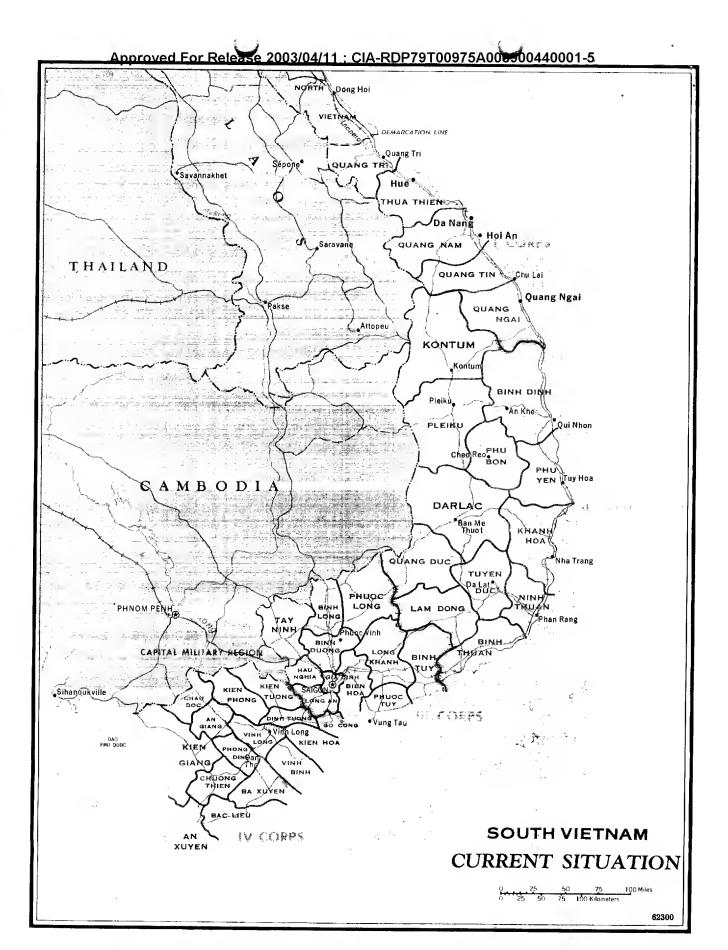
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*Vietnam: (Information as of 4:30 AM EDT)

Political Developments in South Vietnam: Premier Ky's forces apparently are in the process of making a move on Hue.

a Government of Vietnam column is now moving along Route 1 toward Hue, and the Hue police radio has announced that "another" column has "landed" on an unidentified beach and is proceeding north toward Hue. The 32nd Ranger Battalion has been alerted to move from My Tho to Saigon by truck for subsequent air lift to I Corps. Further details are not available.

Prior to this, a strong reaction to the government's move on Da Nang appeared to be taking shape among Buddhist and other "struggle" leaders.

In Saigon, Buddhist Youth Commissioner Thich Thien Minh called for the overthrow of the government while addressing some 700 followers at the Buddhist Institute last night. However, Minh apparently issued no specific instructions to his listeners, but scheduled another public meeting at the Institute on 19 May. This morning a prominent Buddhist delegate to the election law drafting council, Tran Quang Thuan, announced that he was withdrawing from the council in protest over government action in central Vietnam. The US Embassy has commented that two other delegates to the 32-man group may withdraw with Thuan.

Buddhist leader Tri Quang reportedly met with military and civilian leaders of the "struggle" movement in Hue yesterday to discuss possible alternatives.

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It is not known what conclusions were reached, although Generals Thi, Dinh, and First Division commander Nhuan are apparently continuing to prepare opposition to any move on Hue by Saigon forces

The general situation there remains basically unchanged, with Vietnamese Marines remaining outside the major Buddhist pagoda.

Divided loyalties are contributing to a tense atmosphere throughout I Corps. Efforts by the Quang Nam special sector commander to line up support for antigovernment forces may touch off violence in Hoi An, the capital of Quang Nam Province. Further south in Quang Ngai, Second Division commander General Lam, after some hesitation, has moved to try to halt a column of some 200 pro-"struggle" troops which set out from his command to assist antigovernment elements in Da Nang. General Dinh flew to Chu Lai from Hue yesterday in an apparent effort to persuade General Lam to join antigovernment sympathizers. 1

This morning in Hue, shots were fired from a hostile crowd at newly designated I Corps commander General Cao and his party as they were preparing to leave. Return fire from a US helicopter crew member killed the attacker and wounded two others. Hue radio has broadcast a denunciation of the incident, but US involvement has been at least temporarily ignored. General Cao had flown to Hue by US helicopter in an attempt to line up military support there, but was avoided by First Division Commander General Nhuan.

The Military Situation in South Vietnam: Viet Cong terrorists yesterday attacked several police checkpoints and a substation in Saigon, apparently in an attempt to create disorder during the tense political situation. Three Viet Cong were reported killed in a raid on the police substation, which killed one policeman, wounded two others, and damaged two police vehicles. Three US military personnel and 14 Vietnamese were wounded during the other incidents.

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<u>West Germany</u>: The government's firm line on the conditions for French troops remaining in Germany is coming under open attack by opponents favoring a more conciliatory position.

The most vocal critic is Franz-Josef Strauss, leader of the Christian Social Union--Bavarian wing of the National Christian Democratic Union. Although agreeing with the government's opposition to a reversion to occupation status, Strauss considers Bonn's tactics too hard and legalistic. He apparently is willing to go quite far in seeking a compromise and in recent speeches, has voiced his opposition to "any policy which by intention or consequence would maneuver French troops out of Germany."

For a variety of reasons, many West Germans still shy away from a showdown with France. Some fear that this would bury forever all hope for European unification, while others fear a confrontation over NATO might cause De Gaulle, when he visits Moscow next month, to take a position inimical to German interests.

The US Embassy in Bonn comments that the influence pro-French elements will have depends in large part on the way De Gaulle proceeds. If Paris arbitrarily withdraws a part of its forces and bluntly insists on occupation rights, the pro-French elements will not be able to muster much support. On the other hand, should the French enter negotiations in a reasonable manner, the line proposed by Strauss and his associates is likely to have a greater impact.

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UK: Prime Minister Wilson is considering a wide range of emergency measures to counter the paralyzing effects of a merchant marine strike which began on Monday.

[Supplies of essential foods are reported to be sufficient for several weeks. The prime minister has issued a personal appeal against hoarding. Wilson may be forced to use the Royal Navy to tow away British ships left idle at dockside to make room for foreign ships, and employ troops to unload food supplies.]

Other unions have pledged to support the seamen's strike if an attempt is made to transfer cargoes from British to foreign vessels in order to circumvent the strike.

The strike could have a crippling effect on the British economy. If it lasts three to four weeks, about half of the entire British merchant fleet of some 2,500 vessels will be immobilized and cut off exports valued at nearly \$40 million a day. British ships carry 65 percent of British exports, and bring in about half the nation's imports. The British motor industry—the country's largest—appears to be the most threatened. Industry leaders forecast the possibility they will have to close down operations if the strike lasts beyond this weekend.

At the moment the US Embassy in London believes that the prospects are dim for a quick settlement of the dispute. The shipowners have offered a shortened work week amounting to a 13-percent pay increase over the next three years, but the militant left-wing unionists are demanding an immediate 17-percent boost. The moderate union leadership favors some compromise but appears unable to control the left-wing majority in the union's executive council.

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NOTES

Ghana-USSR: Ghana's new moderate government has extended a contract to import Soviet crude oil-initiated by the Nkrumah regime--until 31 March 1967 and also has increased the amount by 300,000 tons to 1.3 million. The new regime had given Western oil firms some indication it was considering their resumption of shipments, although it had also previously announced its intention to honor existing bilateral trade pacts. The oil deal probably reflects Ghana's desire to utilize an outstanding credit with the USSR and to preserve its scarce foreign exchange. Moreover, it obviously wishes to ensure the USSR's continued large purchases of cocoa.

Israel-Syria: Israel will probably blame Fatah terrorists for the death yesterday of two Israeli farmers killed by a land mine near the Syrian border. The incident could provide the Israelis with a pretext for striking directly at Syria, which supports the Fatah. The Israelis have previously made reprisal raids against alleged Fatah bases in Jordan and Lebanon, whose governments oppose the Fatah.

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Chief of Staff, United States Air Force

Chief of Staff, United States Army

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Supreme Allied Commander, Europe

Commander in Chief, Pacific

Commander in Chief, Atlantic

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The Director, The Joint Staff

The Assistant Chief of Staff for Intelligence, Department of Army

The Director of Naval Intelligence, Department of Navy

The Assistant Chief of Staff, Intelligence, Department of the Air Force

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